



1001 W. 124th Avenue Westminster, Colorado 80234
Phone: 303-457-1001 Fax: 303-457-2326

NORTH METRO COMMUNITY SERVICES BOARD MINUTES

For

January 26, 2016

Meeting of the Board of Directors

The meeting was called to order by President Dr. Bertagnolli at approximately 6:00 PM

Dr. Edward Bertagnolli said that he would entertain a motion to approve the minutes of the December 3, 2015 meeting and the agenda for this evening's meeting. Dr. Bertagnolli noted Pauline Burton was absent and Carolyn Watson attended as a guest. Wayne McCombs made the motion which was seconded by Dr. Warren Taylor. The motion passed unanimously.

Dr. Edward Bertagnolli opened the floor to Farhad Kargar to discuss the experiences he has had with North Metro Community Services. Farhad stated he has been with North Metro for a long time and has been working with Dana Sylvester in SLS. Dana has helped Farhad a lot with paying bills and support services.

Finance Committee Report

Treasurer, Doug Shepherd, reviewed the financials for November and December.

In the month of November 2015 we realized a net loss of \$185,377. This net loss was \$31,000 more than the budgeted net revenue for November. A net loss was also recorded in December in the amount of \$262,798 which was \$38,911 more than what was budgeted. Year to date we have incurred a net loss of \$282,113 which is \$170,000 more than the budgeted loss year to date.

The expenditures for November reflect the payment to staff for holiday bonuses. This expense was budgeted at \$200,000 and the actual cost was under that budgeted figure. Expenses were near budgeted amounts for the month of November. Revenues continue to be short of budget in Supported Living, Comprehensive Services, Resource Coordination, and Vocational. Day Program revenues have declined since the budget was completed. The fewer overall billable services in day program have an impact on Supported Living and Comprehensive Services. Comprehensive services revenues are impacted by vacancies in our staffed facilities. Resource

Coordination revenues had not matched the projected growth based on trends from the end of last fiscal year. Vocational revenues shortfalls are a result of the October 2015 contract reductions on the Buckley Contract. December revenues were expected to be short based on the 5 days we were closed over the holidays. Due to inclement weather we were also closed on the 15th of December. Each day that NMCS is closed causes a \$40,000 loss of revenue. Resource Coordination and Comprehensive Service areas are most impacted. The closures in December caused a revenue shortfall of near \$250,000 and account for much of the loss in December. Expenses for vehicle maintenance continue to be well over budget. Year to date expenses are \$50,000 over budget. The transportation coordinator is actively seeking a new service center for our Mercedes Sprinter vehicles.

Financial performance is expected to improve in the new year. There are several areas that we expect to see fiscal improvement. The Thornton Group Home was closed late in December. This closure will positively impact residential by discontinuing the loss at Thornton House which was \$40,000 through December and the new placements will generate net revenue. Staffing reductions at Buckley in reaction to the contract decrease will start to have an impact in January as well. Day program is actively pursuing placements into our day program in vocational and community participation programs. Steps will also be taken to maximize the vehicle maintenance service completed by our in house maintenance.

The finance committee discussed the losses in day program and the delivery of service in that area. In addition to operating at an optimal staffing ratio additional planning for how services are provided was discussed. The committee further discussed the potential impact of case management separation and the potential for loss of Mill Levy funding. Mill Levy funding helps support the losses we incur within our day program. The goal should be to have programs that are self-supporting. Staff will continue to work towards these objectives.

As of December 31, 2015 total cash balance is \$7,612,012 this balance is \$635,454 less than at the end of October. This resulting decrease in cash is due to the incurred net losses in the prior two months. Our State Receivable has also increased \$315,000 since the end of October. The delay in payment from the State is mostly slow collection of receivables in Early Intervention. Payments of over \$500,000 received in mid-January get us to within 30 days of current on our state receivables. Medicaid receivables are mostly current although we are carrying an additional \$75,000 for EI TCM. We have also began to collect past due receivables for EI TCM. The Early Intervention delays are related to the implementation of a new data system and change in billing procedures. Liabilities are down \$200,000 as a result of recognition of deferred revenue. Dr. Bertagnolli asked for a motion to approve the finance report. Edie Wallace made the motion, which was seconded by Mona Valdez, and passed unanimously.

Executive Committee Report

Possible Rate Reduction

As discussed in previous meetings, the Governor has proposed a 1% reduction in Medicaid rates to help balance the 2016/17 budget. Though the State economy is doing well and tax collections are up the State cannot keep those funds because of the Tabor Amendment, which caps state revenue. If the rate reduction stands, NMCS will lose about \$250,000 in funding in the next fiscal year. Randy stated the best scenario would be no cut and the worst would be the 1% cut.

George stated the Day Program is staffed to the highest levels of service, however we do not always have enough people attending Day Program to justify that staffing level.

Eddie Wallace asked if Family Support is getting funding.

George and Randy both stated Family Support is getting funding. 2 years ago Family Support was receiving \$250,000 and now they are receiving \$570,000.

John Coates stated he has spoken with Alliance and feels like the system is under attack in regards to mishandling of funds by other agencies. John also stated Alliance is expecting Randy to participate in the Legislation portion of this. Randy thanked the board members for his recent raise and the vote of confidence it represents.

Executive Director's Report

Rocky Mountain Human Services

Randy explained that there is another issue regarding RMHS of which the board should be aware; their audit was performed by the same company that audits NMCS. In fact that same firm audits 16 of the 20 CCBs and some people at the state have raised questions about whether any of the boards should continue to use that auditor. John Coates suggested that we consider retaining another auditing firm to review our latest audit to insure its accuracy and to also help us make an informed decision as to whether or not we will continue to use the same auditing firm. This would give the board some peace of mind and, if we continue to use the auditor, it will show the state or anyone else that we took this matter seriously and exercised due diligence before we proceeded. John Coates moved that we create a sub-committee including himself, Paul Yantorno, Doug Shepherd, Randy Brodersen and George Montoya to interview and choose an auditing firm to provide this review and report back to the board at the February Board meeting. The motion was seconded by Dr. Warren Taylor and passed unanimously.

Directors and Officers Insurance Coverage

Randy explained how D and O policy works and what coverage it provides to the board. Colorado Statute 13-12-116 also protects board members as long as their actions are in good faith and they are not making decisions that benefit themselves or their associates financially. The question was asked, if the board of RMHS was aware that funds were being misspent, could they be liable? Randy said that they could be liable if they were aware that funds were being misspent however that does not appear to be the case.

Legislative Update

Senate Bill-38, which would apply the Colorado Open Records Act to CCBs and require “performance audits” of the boards is being heard on Monday February 1 by the Senate State, Veterans and military Affairs Committee. Randy will be testifying at that hearing. His position is that we support transparency but that can be accomplished through our contract with the state and consequently the bill is unnecessary.

Randy also reported, in reference to the potential rate cut, that the Joint Budget Committee voted unanimously against the 1% rate reduction. However, it is early in the session and if the Committee is going to stick with that they are going to have to find the money to cover the funds that would’ve been saved by making that rate reduction.

Awareness Day

Wednesday, February 17th is Developmental Disabilities Awareness Day at the capital. North Metro will have 6 people going to this event and the focus is on the good we do at North Metro. Lori Freyta will be presenting at the Awareness Day.

New Business

Personnel Policies: Anti-Violence

John Coates suggested changes to the Anti-Violence Policy at the last meeting. Those changes were made and consequently he would like the board to reconsider the. Dr. Warren Taylor moved for approval of the Anti-Violence Policy, the motion was seconded by Edie Wallace and passed unanimously.

Adjournment

Bill Hawthorne moved that the meeting be adjourned, which was seconded by Edie Wallace. The motion passed unanimously, and the board adjourned at approximately 7:15 PM.

Board Meeting Dates for 2016

February 25, 2016

March 24, 2016

April 28, 2016

May 26, 2016

June 30, 2016